

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re: :
:
THE FINANCIAL OVERSIGHT AND : PROMESA
MANAGEMENT BOARD FOR PUERTO RICO, : Title III
:
as representative of : Case No. 17-BK-3283 (LTS)
:
THE COMMONWEALTH OF PUERTO RICO *et al.*, : (Jointly Administered)
:
Debtors.¹ :
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:
In re: :
:
THE FINANCIAL OVERSIGHT AND : PROMESA
MANAGEMENT BOARD FOR PUERTO RICO, : Title III
:
as representative of : Case No. 17-BK-4780 (LTS)
:
PUERTO RICO ELECTRIC POWER AUTHORITY : **This filing relates only to**
: **Case No. 17-BK-4780 (LTS)**
:
Debtor. :
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**URGENT MOTION OF OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR EXPEDITED CONSIDERATION OF URGENT APPLICATION
OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR ENTRY OF
ORDER AUTHORIZING EMPLOYMENT AND RETENTION OF LONDON
ECONOMICS INTERNATIONAL LLC AS FINANCIAL ADVISOR,
EFFECTIVE AS OF APRIL 26, 2022, IN PREPA'S TITLE III CASE**

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5233) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States District Judge Laura Taylor Swain:

The Official Committee of Unsecured Creditors (the “Committee”)² respectfully submits this urgent motion (the “Urgent Motion”) requesting entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Order”), expediting consideration of the relief requested in the *Urgent Application of Official Committee of Unsecured Creditors’ for Entry of Order Authorizing Employment and Retention of London Economics International LLC as Financial Advisor, Effective as of April 26, 2022, in PREPA’s Title III Case* (the “Application”),³ filed contemporaneously herewith. In support of this Urgent Motion, the Committee respectfully states as follows:

RELIEF REQUESTED

1. By this Urgent Motion, the Committee respectfully requests entry of the Proposed Order expediting consideration of the Application, setting the deadline to object to the Application for **Monday, May 2, 2022** and the deadline to file any replies in further support of the Application for **Wednesday, May 4, 2022**. The Committee further requests that this Court take the Application on submission. In the event that the Court desires a hearing on the Application, the Committee requests that such a hearing be scheduled at the Court’s earliest convenience.

JURISDICTION, VENUE, AND STATUTORY BASES

2. The United States District Court for the District of Puerto Rico (the “Court”) has subject matter jurisdiction over this matter pursuant to section 306(a) of PROMESA.⁴ Venue is proper pursuant to section 307(a) of PROMESA.

² The Committee is the official committee of unsecured creditors for all Title III Debtors, other than PBA and COFINA.

³ Capitalized terms not defined herein shall have the meanings ascribed to them in the Application.

⁴ References to PROMESA are references to 48 U.S.C. §§ 2101 *et. seq.*

3. The statutory bases for the relief requested in this Urgent Motion are section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9006, made applicable to the Title III Cases by sections 301(a) and 310 of PROMESA, Rule 9013-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Puerto Rico (the “Local Rules”), and the Sixteenth Amended Case Management Procedures Order [Docket No. 20190-1 in Case No. 17-3283] (the “Case Management Procedures”).

BASIS FOR RELIEF REQUESTED

4. Bankruptcy Rule 9006(c)(1) provides that “the court for cause shown may in its discretion with or without motion or notice order the period [for notice] reduced.” Further, Local Rule 9013-1(a) allows a party to request that court “consider a motion on an expedited basis.” Cause exists to expedite consideration of the Application.

5. As explained more fully in the Application, the Committee submits that its retention of London Economics International LLC (“LEI”) is appropriate in light of (a) the termination of the RSA, which effectively moots the 9019 Motion, (b) the Court’s order appointing the Mediation Team and directing mediation regarding the PREPA restructuring, and (c) the anticipated application of the Mediation Team seeking to retain Moelis as their financial advisory firm. If retained, LEI will, among other things, interact with Moelis as well as the advisors of other Mediation Parties with respect to key issues, including the amount of PREPA’s sustainable debt burden.

6. By the Application, the Committee seeks entry of an order that would provide for the retention of LEI, a global economic, financial, and strategic advisory professional services firm specializing in energy, water, and infrastructure, with a particular focus on analyzing electricity sector dynamics and advising on regulatory best practices for **island nations**. The Application, and the retention of LEI, is a crucial step to helping the Committee, the Mediation

Team, and the Mediation Parties understand, among other things, what debt burden is sustainable for PREPA.

7. In light of the Mediation Team's anticipated application to retain Moelis, as well as the ongoing Mediation, it is of the utmost importance that the Committee be able to retain its own advisor regarding the financial questions raised during the Mediation—particularly given that the Mediation is to conclude by June 1, 2022 (with the possibility of a one-month extension to July 1, 2022).⁵ Moreover, absent the relief requested in this Urgent Motion, the Application would not be heard until the next omnibus hearing on May 18, 2022,⁶ until which LEI would not know whether its retention is approved, thus putting at risk their compensation for any work performed in the interim.

8. Given the time-sensitive nature of the relief sought, the Committee requests that the deadline to object to the Application be set for **Monday, May 2, 2022** (*i.e.*, six days from the date of filing of the Application) and the deadline to file any replies in further support of the Application be set for **Wednesday, May 4, 2022**. The Committee further requests that this Court take the Application on submission. In the event that the Court desires a hearing on the Application, the Committee requests that such a hearing be scheduled at the Court's earliest convenience.

9. Pursuant to Section I.H. of the Case Management Procedures, the undersigned counsel certifies that it has engaged in reasonable, good-faith communications with counsel to the Oversight Board and counsel for AAFAF regarding the relief requested herein. **Counsel to the Oversight Board and counsel to AAFAF have informed the Committee that they do not oppose the expedited consideration of the Application. In addition, the Oversight Board**

⁵ See *Order Establishing the Terms and Conditions of Mediation* [Docket No. 20527] ¶ 3.

⁶ See *Case Management Procedures* ¶ III.A.

has confirmed that it has no objection to the retention of LEI as the Committee's financial advisor.

10. Moreover, in accordance with Local Bankruptcy Rule 9013-1(a)(2), undersigned counsel certifies that counsel has carefully examined the matter and concluded that there is a true need for urgent relief because the Case Management Procedures require that a party seeking to have a matter heard outside of a scheduled omnibus hearing seek such relief by separate motion. The movant has not created the urgency through lack of due diligence on its part. The undersigned further certifies that movant made a bona fide and good faith effort to resolve the matter without a hearing.

NOTICE

11. Notice of this Urgent Motion will be provided in accordance with the procedures set forth in the Case Management Procedures. The Committee respectfully submits that no further notice is required.

NO PRIOR REQUEST

12. No previous request for the relief requested herein has been made to this or any other court.

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WHEREFORE, the Committee respectfully requests that the Court enter an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested in this Urgent Motion and granting such other relief as the Court deems just and proper.

Dated: April 26, 2022

By: /s/ Luc A. Despins

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